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RUCNDT/USMISSION USUN NEW YORK 9006
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RUEIDN/DNI WASHINGTON DC
RHHMUNA/CDR USPACOM HONOLULU HI
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RUCPDO/DEPT OF COMMERCE WASHDC
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C O N F I D E N T I A L SECTION 01 OF 05 NEW DELHI 000995

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SUBJECT: WITH AN EYE ON CHINA, PRESIDENT KALAM TO "ENGAGE"
IN BURMA

REF: 05 NEW DELHI 0934

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Classified By: Ambassador David C. Mulford for Reasons 1.4 (B, D)

¶1. (C) Summary: Signaling GOI intentions to step up engagement with Rangoon despite its concerns about democracy, President Kalam will make a "goodwill visit" to Burma on March 8-10. This will be the highest level visit from India to Burma since Prime Minister Rajiv Gandhi traveled to Rangoon in 1987. The trip, which will occur only days after President Bush comes to India, is intended to return the October 2004 visit by military leader Senior General Than Shwe and follow up on discussions of defense, cross-border security, and energy cooperation. Responding to our inquiries about this visit, the Ministry of External Affairs emphasized that the Indian leadership continues to raise concerns about the lack of democracy during all its high-level meetings with the State Peace and Development Council (SPDC), but must look after the country's national interests by engaging with the junta. At a February 6-7 seminar on India's Role for National Reconciliation in Burma, Indian participants called on the GOI to postpone the visit until the SPDC releases Aung San Suu Kyi and provides "full and unrestricted access" to the UNSG's Special Envoy on Myanmar. Questioning whether engagement with the regime was in India's best interest, participants discussed Burma's increasing instability, the junta's "insincere" security and

energy cooperation and India's inability to compete with China's influence. The GOI knows that the US will not be happy about the trip or its timing, but is determined to move forward with its relationship with Burma. U/S Burns may wish to use one of his next calls with FS Saran to underline our concerns. End Summary.

Its Been So Long...

12. (C) MEA Burma Desk Officer Pooja Kapoor confirmed that President Kalam will travel to Burma from March 8-10 on a "goodwill" visit that local media say was postponed to occur after the POTUS visit to Delhi. Kapoor noted that since Senior General Than Shwe visited India in October 2004, the Burmese have been pressing for a return visit. She indicated that there was no other specific reason for the visit, but in addition to following up on energy and security cooperation, the President would likely focus the trip around his interests in science and education (themes Kalam emphasized on a recent visit to South East Asia). This will be the highest-level visit from India to Burma since Prime Minister Rajiv Gandhi traveled to Rangoon in 1987 and President Kalam's only visit to an immediate neighbor since he took office in 2002. In addition to meeting with Senior General Than Shwe in Rangoon, Kalam may also visit Mandalay and Bago, MEA indicated.

India Can't Afford to Isolate Burma

13. (C) MEA's Kapoor emphasized that the Indian leadership takes every opportunity to push for democracy in Burma and the release of Suu Kyi, but given Burma's proximity and

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importance for the country's national interest, the GOI must pursue a policy of engagement. On his return from the East Asian Summit in December, Prime Minister Manmohan Singh called publicly for the release of Aung San Suu Kyi and encouraged the GOB to move towards democracy, but couched this statement by saying that it was not his "purpose" to advise the military junta on what it should do, and it was up to the Burmese people to solve their own problems (Reftel). Kapoor listed security and energy cooperation, growing Chinese influence, and links to India's sensitive Northeast region as reasons why the GOI could not afford to isolate the military regime. Although New Delhi would prefer a democratic Burma and "finds it difficult to get too close to the regime," India "always has to keep these other interests in mind." Kapoor noted that the GOI sees a huge opportunity for further engagement in Burma, but is held back because of its democracy and human rights concerns.

Heck No, He Shouldn't Go

14. (SBU) A March 6-7 seminar sponsored by the Asian Center for Human Rights (ACHR) and Mizzima News on India's Role for National Reconciliation in Burma called on the GOI to postpone the visit until the SPDC releases Aung San Suu Kyi and provides "full and unrestricted access" to the UNSG's Special Envoy on Myanmar and Special Rapporteur on the Situation of human rights in Myanmar. A declaration issued at the seminar criticized the timing of the Indian visit and expressed concern about the GOI's "unstinted" support for the ruling military junta and increasing cooperation in defense, infrastructure development, communications, and hydrocarbon exploration. Representatives of Indian civil society organizations, human rights groups and political parties discussed plans to protest the visit through a signature campaign and possible protests in Calcutta during the visit. Revolutionary Socialist Party MP Abani Roy, who is one of twelve members of the recently formed Indian Parliamentary Forum for Democracy in Burma promised to "try to arrange a meeting with Kalam to urge him not to go to Burma unless the

SPDC releases ASSK and he is allowed to talk about the restoration of democracy."

¶5. (SBU) While acknowledging that India needed a working relationship with the military regime, Editor of Mizzima News Soe Myint argued that India should take a more balanced approach to engaging the junta and pressing for democracy. Former Deputy Director of RAW (India's external intelligence service) B.B. Nandi charged that the GOI's "pragmatic policy" has gone overboard in befriending and appeasing the junta. Myint worried that India's "constructive engagement" and the public show of support that the junta will derive from President Kalam's visit is offsetting the Western policy of disengagement. He emphasized that a visit by the President of the world's largest democracy at a time when the internal situation in Burma is deteriorating, the US and EU are putting more pressure on the regime, and Nehru Peace Prize winner ASSK continues to live under house arrest, will send the wrong signal and show that India is only "paying lip service" to democracy in Burma.

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Seminar Examines India's National Interest

¶6. (SBU) Discussion at the Seminar on India's Role for National Reconciliation in Burma focused on whether the GOI's policy of engagement with Burma was truly in the country's best interest. ACHR Director Suhas Chakma observed that India's policy of engaging Burma has not effectively stabilized the Northeast, countered Chinese influence, or yielded energy rewards. Chakma, like other speakers, shared concerns that Burma's military regime was contributing to an increase in drug and small arms trafficking, the profits and weapons of which end up with Northeast insurgent groups. Although Rangoon has stepped up counter-insurgency cooperation, BBC Correspondent for Northeast India Subhir Bhaumik explained that Burmese operations are limited to the Kaplang faction of the National Socialist Council of Nagalim (NSCN) insurgent group, which wants to reintegrate sections of Burma into a Naga homeland. The spread of HIV/Aids and increased numbers of Burmese refugees coming to India will also have a destabilizing effect on India's Northeast. When asked about Burmese security cooperation, Observer Research Foundation Asian analyst Vijay Sakuja commented that India and Burma had only begun border cooperation three years ago, and that visible improvement would require more time.

¶7. (C) Participants also raised the SPDC's December 2005 decision to sell 6.5 trillion cubic feet of gas to China as proof that India will never be able to offset Chinese influence or depend on Burma as a reliable energy supplier. Former Deputy Director of RAW Nandi reported that the Burmese agreed to sell gas to China from Block A1, where India's ONGC Videsh Ltd. and GAIL hold a 30 percent stake. He claimed South Korea's Daewoo and Korea Gas hold the other seventy percent stake. This Burmese decision, which came to light during Petroleum Ministry Joint Secretary for Gas Ajay Tyagi's mid-January trip to Rangoon to discuss progress on the India-Burma pipeline, caused Tyagi to cut the trip short and should make the GOI to reconsider its energy sources, Nandi argued. MEA's Kapoor noted that some gas had been promised to China in December, but the media had exaggerated this story and Burma would only make a final decision after it finished calculating projected gas reserves in the A1 Block.

India's Troubled Transfer

¶8. (C) Another illustration of India's delicately poised agenda with Rangoon is the proposed Indian transfer of several British BN-2 Islander maritime patrol aircraft to the Burmese Navy. This transaction has set off a controversy between the UK and the Indian Ministry of Defense over

sanctions on the supply of spares. A recent India Today article reported that during Navy Chief Arun Prakash's visit to Rangoon in January, he proposed the transfer of three old Indian Navy Islander aircraft to the Burmese Navy. The transfer is another step in the Indian military's plan of engagement, under which all three military chiefs have visited Rangoon in the last year. As part of India's maritime diplomacy with countries on the ocean rim, India has

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made similar transfers to the Seychelles and Vietnam. Although the Islander is an unarmed civilian transport aircraft and the 30 year old Islander deal did not have a clause governing third-party sale or transfer, the transfer could be subject to EU sanctions imposed against the military regime in Burma. The Brits told us that the High Commissioner merely warned the GOI informally that if India supplies Islander aircraft to Burma, the UK would have to look very carefully at the spares supplies for the aircraft. Feeling "threatened" by sanctions, India Today explained, the Navy protested the British warning and announced that it is going ahead with the aircraft transfer at "friendship prices." The UKHC has not been notified of a final decision on the transfer, and is trying hard to downplay what High Commissioner Michael Arthur has called "a little Myanmar issue."

Comment: India Only Willing to
Go So Far On Democracy in Burma

19. (C) Both publicly and privately the GOI has made clear its discomfort with the current political trajectory in Burma (Reftel). Nonetheless, there are several limiting factors to our dialogue on Indian policy towards Burma. New Delhi believes it has a balanced policy of raising democracy concerns with the SPDC, both publicly and privately, while maintaining a working relationship with its neighbor, and points to the December ASEAN Summit as proof. However, the GOI is not willing to stick its neck out on this issue and risk losing out on security, energy, economic, and counter-insurgency cooperation with one of its only neighbors proactively seeking better relations. Moreover, as long as China continues to deepen its military involvement in Burma and compete for energy reserves, India's views its engagement with Rangoon as a strategic imperative. The GOI likes to remind us about our own strategic imperatives with Pakistan. For instance, when Ambassador Mulford raised the Kalam visit at a recent dinner with MEA Joint Secretary (Americas) Jaishankar in attendance, asking "How should President Bush react to the news that Kalam is going to Burma just after his own visit to India?" Jaishankar responded "exactly the same as we will react to your President traveling to Pakistan." In this context the GOI claims that just as US strategic imperatives require us to soft pedal the GOI's absence of democracy in Pakistan, military competition with China does not allow the luxury of a stringent Indian line on Burmese democracy. We continue to press the Indians, who also must contend with strong local sympathy for the Burmese democracy movement, Indian human rights group and the Indian Parliamentary Forum for Democracy in Burma, but don't expect any of these pressures will cause the GOI to reconsider the upcoming visit or significantly change the direction of Indian foreign policy. We believe it will be very difficult to turn the GOI around on this. U/S Burns may wish to use one of his periodic calls with FS Saran to underline our concern about the Kalam visit and to urge a strong message by Kalam on democracy.

110. (U) Visit New Delhi's Classified Website:
(<http://www.state.sgov.gov/p/sa/newdelhi/>)

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